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Letter dated 9 February 2012 from the Permanent Representative of Japan to the United Nations addressed to the President of the Economic and Social Council

I have the honour to request that the report of the Asia and the Pacific Regional Preparatory Meeting on the theme "Promoting productive capacity, employment and decent work in Asia and the Pacific: a regional approach to sustained, inclusive and equitable growth and achieving the Millennium Development Goals" (see annex) be circulated as a document of the Economic and Social Council for consideration at its substantive session of 2012. The meeting was held on 7 December 2011 in Kyoto, Japan, in preparation for the annual ministerial review of the Economic and Social Council.

At the regional preparatory meeting, regional and national experiences in placing decent work and full employment at the heart of ongoing efforts to reduce poverty and inequality and achieve sustained, inclusive, and equitable growth and sustainable development were examined as a contribution to the theme of the 2012 annual ministerial review, "Promoting productive capacity, employment and decent work to eradicate poverty in the context of inclusive, sustainable and equitable economic growth at all levels for achieving the Millennium Development Goals".

Japan believes that the report will constitute a valuable contribution to the discussions in July in New York.

(*Signed*) Tsuneo **Nishida**
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Permanent Representative of Japan to the United Nations

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Annex to the letter dated 9 February 2012 from the Permanent Representative of Japan to the United Nations addressed to the President of the Economic and Social Council

Report of the Asia and the Pacific Regional Preparatory Meeting on "Promoting productive capacity, employment and decent work in Asia and the Pacific: a regional approach to sustained, inclusive and equitable growth and achieving the Millennium Development Goals" for the 2012 annual ministerial review of the Economic and Social Council

Summary

As part of the annual ministerial review process of the Economic and Social Council, an Asia and the Pacific regional preparatory meeting on the theme "Promoting productive capacity, employment and decent work in Asia and the Pacific: a regional approach to sustained, inclusive and equitable growth and achieving the Millennium Development Goals" was held in Kyoto, Japan, on 7 December 2011. It was hosted by the Government of Japan, in collaboration with the Department of Economic and Social Affairs of the United Nations Secretariat, the International Labour Organization (ILO) and the Economic and Social Commission for Asia and the Pacific. Organized as a multi-stakeholder event, with the participation of high-level representatives of Governments, workers and employers organizations, and a youth representative, the consultations consisted of two plenary meetings. The event was held in the context of the fifteenth ILO Asia-Pacific Regional Meeting, held in Kyoto from 4 to 7 December 2011.

Participants, including a Minister, examined the central role of productive capacity, employment and decent work for realizing sustained inclusive and equitable growth and achieving the Millennium Development Goals. Participants also shared national experiences, including good practices and lessons, in this area.

Key policy messages

The following key messages emerged from the discussion:

Progress has been made in the Asia and Pacific region on employment and decent work related to the internationally agreed development goals, including the Millennium Development Goals:

- Dynamic growth in Asia and the Pacific has lifted hundreds of millions of people from severe poverty. Much progress has been made in making decent work a central objective in national development strategies and in improving labour market governance.
- Progress was also observed in the following areas: increased investment in social protection systems; greater awareness of and action on the rights of migrant workers; enhanced efforts in combating child labour and providing greater skills to young women and men.

- Sixty-eight conventions were ratified by Asia-Pacific member States since August 2006. However, ratification and implementation of ILO core conventions remain lower than in other regions.

Challenges facing the Asia and the Pacific region:

- Inequalities across countries and within countries have widened. Across the region, 37 per cent of workers still live on less than two United States dollars a day. Coupled with social exclusion, this situation poses challenges to social and political stability.
- Strong economic growth has not created sufficient decent jobs that would reduce the large numbers of workers in informal and vulnerable employment. Average real wage growth has been slow and has not kept pace with the overall increase in GDP and productivity.
- The region is expected to face a considerable jobs challenge in the next 10 years, to meet the growing labour force and high unemployment levels. Slow employment growth particularly affected youths.
- The region also featured persistent vulnerability and gender disparities. The female labour participation rate in the region was only 50 per cent, compared with 80 per cent for men.

Promoting productive capacity, employment and decent work in Asia and the Pacific:

- The region hosts the largest population and a fast-growing labour force, which could potentially be turned into enormous productive capacity and a regional market if appropriate policies were to be adopted.
- To sustain strong growth, a policy shift may be necessary to reduce export dependency, increase domestic demand and place employment and decent work at the core of policymaking.
- To continue making progress towards achieving the Millennium Development Goals, concrete measures should be taken, including:
  - Establishing a more effective and job-rich growth model
  - Building and strengthening social protection floors, in line with national circumstances
  - Supporting small and medium enterprises — from where the majority of workers in the region derive their livelihoods
  - Creating and promoting decent employment opportunities for youth
  - Equipping the workforce, particularly young people, with the skills required by labour markets
  - Working towards more inclusive and fairer labour markets which uphold international labour standards and rights at work
  - Promoting greener growth and green jobs, consistent with maintaining economic and social sustainability

- The decent work and full employment agenda should be at the centre of policies for reducing poverty and inequalities and achieving inclusive, sustainable and equitable growth and sustainable development.

I. Introduction

1. In June 2012, the Economic and Social Council will hold its sixth annual ministerial review in New York. The review will focus on "Promoting productive capacity, employment and decent work to eradicate poverty in the context of inclusive, sustainable and equitable economic growth at all levels for achieving the Millennium Development Goals".

2. On 7 December 2011, the Government of Japan hosted, with the support of the Department of Economic and Social Affairs of the United Nations Secretariat, the International Labour Organization (ILO) and the Economic and Social Commission for Asia and the Pacific, a Regional Preparatory Meeting for Asia and the Pacific on "Promoting productive capacity, employment and decent work in Asia and the Pacific: a regional approach to sustained, inclusive and equitable growth and achieving the Millennium Development Goals".

3. The meeting brought together senior representatives of Governments, including a Minister, experts from the United Nations system and other international organizations, representatives of trade unions and employers' organizations, youth representatives and non-governmental organizations from Asia and the Pacific.

4. The meeting provided an important opportunity for Asia and the Pacific countries to contribute to the annual ministerial review, including by sharing good practices and lessons learned.

II. Proceedings of the regional preparatory meeting

A. Opening session

5. The meeting was opened by Mr. Abulkalam Abdul Momen, Vice-President of the Economic and Social Council and Permanent Representative of Bangladesh to the United Nations. In welcoming the participants, Ambassador Momen recalled Japan's rise to become the second largest economy in the world in the twentieth century, which was then followed by the economic rise of other Asian countries, lifting hundreds of millions out of poverty. The twenty-first century may therefore well become an Asian century.

6. The Asia-Pacific region is very diverse and this fact needed to be taken into account in devising approaches for increased poverty reduction through productive capacity, employment and decent work. Least developed countries required special attention in this regard, as also called for in the Istanbul Programme of Action adopted at the Fourth United Nations Conference on the Least Developed Countries held recently in Istanbul.

7. The Vice-President noted that the very diversity of the region could also be turned into an asset through countries sharing and learning from each other. This called for region-wide cooperation, through North-South, South-South, and triangular cooperation, and a regional network for information and knowledge-sharing.

8. After recalling the role of the Economic and Social Council in holding annual ministerial reviews of progress towards the Millennium Development Goals and

other internationally agreed goals, Ambassador Momen emphasized the function of the annual review as one of the important paths towards building a consensus for a post-2015 development agenda.

9. In closing, Ambassador Momen stated that in the region Bangladesh offered a model of a vision of peace and growth through the People's Empowerment concept advanced by the Prime Minister, Sheikh Hasina. Citing the call for human equality of the Bengali poet Kazi Nazrul Islam, he invited the meeting to work together for the well-being of humanity.

10. In her opening remarks, Ms. Sachiko Yamamoto, Regional Director for Asia and the Pacific of the International Labour Organization, thanked the Government of Japan for hosting the meeting and welcomed it as timely and appropriate. The subject of promoting productive capacity, employment and decent work in Asia and the Pacific — a regional approach to sustained, inclusive and equitable growth and achieving the Millennium Development Goals was particularly useful and allowed for linking its deliberations with the outcomes of the just-concluded ILO Asia-Pacific Regional Meeting.

11. The ILO Regional Director outlined the regional context in which the economies and societies of Asia and the Pacific are situated. The past decade had seen unprecedented development in Asia and the Pacific. Millions have been lifted out of poverty. Economies have been thriving and many look at Asia these days as the global economic powerhouse.

12. There were challenges for the growth story of the region, however, both economically and due to recent and recurrent disasters. The region's economies are also dependent on exports to the slowing markets of Europe and the United States of America. Moreover, while overall GDP and productivity had improved in many countries, wages have not kept pace. In the Philippines, for instance, real wages had actually contracted by 1.3 per cent as periods of substantial nominal wage increases were offset by even higher wage inflation. Across the region, 37 per cent of workers still live on less than two United States dollars a day. The region also features widening inequalities, persistent vulnerability and gender disparities. The female labour participation rate in the Asia and Pacific region was only 50 per cent, whereas for men it was 80 per cent.

13. She suggested that, if the Asia and the Pacific region was to sustain its impressive growth, it would need to reduce export dependency, increase domestic demand and place employment at the core of policymaking, rather than assuming it would follow as a by-product of economic expansion.

14. The ILO Regional Director highlighted a number of measures that member States considered for sustainable and inclusive growth, including:

- Establishing a more efficient, job-rich growth model.
- Building and strengthening social protection floors, to protect particularly the most vulnerable and poorest, using the respective fiscal space of countries.
- Using the potential of small and medium enterprises — the vast majority of companies in the region.
- Creating and promoting decent employment opportunities for youth and creating green jobs.

- Working towards more inclusive and fairer labour markets which uphold international labour standards and rights at work.

These measures would allow the countries of the region to continue progressing towards achieving the Millennium Development Goals. In closing, she recalled the main message of the Asia-Pacific Regional Meeting: building a sustainable future with decent work in the region is possible.

15. Ms. Minako Kitamura, Deputy Director of the Global Issues Cooperation Division, International Cooperation Bureau, Ministry of Foreign Affairs of Japan, delivered opening remarks on behalf of Mr. Kazuhiko Koshikawa, Director-General of the International Cooperation Bureau, Ministry of Foreign Affairs of Japan.

16. She welcomed all participants to the important meeting and stated that Japan recognized the importance of the annual ministerial review as a key function of the Economic and Social Council, established at the 2005 World Summit, for monitoring progress on the Millennium Development Goals, towards the 2015 target date. She noted that the meeting would be an important contribution to the 2012 annual ministerial review.

17. In this context, the meeting was a good opportunity to share experiences and advance the agenda for decent work, particularly as it was held back to back with the ILO Asia-Pacific Regional Meeting. As the 101st International Labour Conference would be held just before the annual ministerial review of 2012, further synergies and mutual reinforcement could be expected.

18. The Asia-Pacific region had made tremendous progress towards the Millennium Development Goals, based on its sustained economic growth. At the same time, inequality and poverty remain persistent. One of the lessons learned was that decent work opportunities were critical for improving the quality of life, dignity of people and economic growth, as well as sustainable development. In this context, it was important to invest in physical and social infrastructure, institutional capacity, as well as human resources to enhance human security. She also stressed the need for a clear vision and strategy to achieve green economy.

B. Session 1: Promoting productive capacity, employment and decent work in Asia and the Pacific — lessons learned and good practices

19. Mr. Patrik Andersson, Chief of the Social Integration Section, Economic and Social Commission for Asia and the Pacific, serving as moderator of the session, highlighted some key issues and concerns in the region for discussion.

20. He noted that economic growth in the region was impressive and many Millennium Development Goal targets had been achieved. There was, however, persistent poverty, which was projected to increase as a result of the global economic crisis and the lack of well-developed domestic consumer markets. The region also faced a large informal economy without social protection, as well as low income levels, and hence was home to many working poor.

21. Recalling the meeting's focus on promoting productive capacity, employment and decent work in Asia and the Pacific — lessons learned and good practices, he invited the panellists to give their introductory statements.

22. Mr. Kamran Rahman, Vice President for Asia, International Organization of Employers, opened his remarks by pointing to the great diversity of the region. The region is home to resource-rich and highly industrialized States, but also a large number of least developed countries. Countries varied in size, development levels, population and demographics.

23. He suggested that Asia was at a crossroads. The Asian Development Bank had recently identified two possible pathways for the future of the region. Asia could realize the opportunity for the twenty-first century becoming the Asian century, but it could also be caught in the middle-income trap if it failed to make the transition to productive employment and investment-driven growth. Policy choices pursued now would determine the future in this regard. He pointed to the export dependency of the region to markets in Europe and the United States and the resultant risks of the current crises and slow growth. He was optimistic, however, that the United States and European economies would rebound. Nevertheless, historical evidence showed that recovery of employment levels was usually slower, with a time lag of 16 months to reach pre-crisis levels.

24. While at present growth had slowed, the speaker felt that, after a recovery in Europe and the United States, the economies of the region would forge ahead again and realize the Asian century. Challenges would remain for some countries, however, in particular the small island States of the Pacific.

25. The region as a whole faced several challenges, namely, unemployment; underemployment; youth unemployment; vulnerable employment; pockets of poverty; ageing societies; and changing population demographics.

26. In this context employers' priorities were: (a) an enabling environment to improve capacity to do business, so that enterprises can sustain growth and employment; (b) productivity growth (productivity was only one sixth of that in Europe and America); (c) recognizing the value and capacity of small and medium enterprises; (d) market- and target-oriented skills development; and (e) increasing youth employment.

27. He called upon the meeting to recognize the value of ILO as the only organization working on the basis of a tripartite structure. Other international organizations might not be familiar with this approach, but they would need to be sensitive to the global aspirations of the traditional constituents of ILO. This would call for greater policy coherence among multilateral organizations.

28. Mr. Noriyuki Suzuki, General Secretary for Asia and the Pacific, International Trade Union Confederation, described the reality of Asia and the Pacific from workers' perspectives. Despite the strong economic growth of the region in the past decades, inequality within countries expanded, labour share declined, and income and wage gaps widened, especially in countries with higher growth. He expressed concern about the very slow growth of average real wages (1.9 per cent per year), far below the average annual growth of labour productivity between 2001 and 2007. Minimum wages are lagging behind the cost of living, failing to protect people against inflation. Economic growth has not trickled down to the working population as a whole, owing mainly to weak distributive and redistributive mechanisms in the region, including collective bargaining, social protection systems, and fair taxation and fiscal policies.

29. The speaker stated that high employment rates were another concern. Compared with 6 per cent economic growth in the past few years, employment growth was only 2 per cent in the region. Furthermore, standard or full employment had been rapidly replaced by precarious employment. Those workforces in vulnerable employment were largely unprotected by labour and social protection laws. Of particular concern were women and youth, the most adversely affected segments of the workforce. Rapid growth in the number of unskilled youth would lead to low productivity in the future labour force.

30. There were over 50 million Asian workers outside their home country, representing approximately a quarter of the world's migrant population, with 6 per cent annual growth. Remittance flows to the East Asia and Pacific region are expected to grow at 8.5 per cent in 2012, to reach $106 billion. This trend, while bringing development gains, also reflects a lack of gainful and decent employment in countries of origin. Instead of adopting employment-centred economic development policies, many Governments see migration as an easy solution to growing unemployment.

31. In the region, gender inequality persisted, which was demonstrated by the gender pay gap and the limited number of women in leadership positions within corporations, administrations, legislative bodies and trade unions. Enhancing labour market participation by women is necessary, particularly through improving work-life balance and ensuring equal access and opportunity to labour markets.

32. In order to achieve a more sustainable economic path, the speaker called for the following steps: shifting economic policies; promoting decent work, constructive industrial relations and firm institutional frameworks of bipartism and tripartism; recognizing the role of trade unions and collective bargaining; and reforming social protection systems. While all workers should have access to social security as their basic right, he pointed out that many countries were currently spending relatively little on social protection: expenditures on health care and social security averaged 5.3 per cent of GDP in Asia and the Pacific.

33. Ms. Sarita Giri, Minister of Labour and Transport Management, Nepal, pointed to the political instability in the region, and emphasized the importance of dialogue. She explained why the violent conflict had occurred in her country. When a multi-party political system and liberal economic system were introduced, initial growth was high, at 6 per cent. However, no mechanisms for distributing economic gains were adopted. As a result, much of the population had been excluded from socio-economic development. For this to happen the State needed to transform and restructure itself to be more inclusive, so that the fruits of development could be distributed more equitably.

34. Nepal, a country of origin of migrant workers, faced a choice between benefiting from the positive effects of migration — remittances from migrant workers — and enhancing the productive capacity of the nation, especially in the undeveloped sector of agriculture. Nearly 45 per cent of GDP had been invested in the social sector. However, the productive sectors such as manufacturing were largely ignored. Fiscal and monetary policies needed to be put in place so that financial resources could be utilized more effectively to stimulate small and medium-sized enterprises.

35. The Minister noted that, with the help of ILO, Nepal was working to improve labour market conditions. Currently, new legislation was under consideration. Her country was also keen to learn how to set up an affordable social protection system. Situated between some of the fastest growing countries, India and China, Nepal was facing political risks associated with high inequality. Creating employment and decent work, and promoting small and medium-sized enterprises were therefore critical.

36. The moderator of the session, Mr. Andersson, opened the floor for discussion with the following questions:

(a) How can Governments create better opportunities for those who are engaged in the informal sector and vulnerable employment?

(b) How can a virtuous cycle be created in a market with little capital and a poorly developed private sector?

37. Responding to these questions, Minister Giri noted that restructuring the Government is necessary to bring people with diverse backgrounds together and formulate inclusive policies that enable marginalized populations to better access resources and opportunities. Mr. Rahman responded by suggesting giving incentives to companies to overcome existing barriers such as lack of credit; non-conducive regulatory framework; lack of infrastructure, in particular electric power; and unavailability of skilled workers. He noted that the shortage of skilled workers was a particular hindrance in the serious mismatch between supply and demand of human resources.

38. Mr. Suzuki responded that developing constructive industrial relations and involving unions in skills development were also critical elements. Mr. Rahman pointed to the need for updating education curricula, but that this may not be sufficient. Curricula may need to be readjusted to accommodate what is required by industry.

39. As public institutions are not the major source of employment in many countries, skills taught in vocational training may be outdated. In this context, it was suggested that the private sector should be invited in designing vocational training programmes.

C. Session 2: A regional approach to sustained, inclusive and equitable growth and achieving the Millennium Development Goals — key policy messages for the 2012 annual ministerial review

40. Ambassador Abulkalam Abdul Momen, Vice-President of the Economic and Social Council, chaired the session, which was moderated by Mr. Stephen Pursey, Director of the Policy Integration Department and Senior Adviser to the Director-General of the International Labour Organization.

41. Neil Pierre, Chief of the Policy Coordination Branch of the Department of Economic and Social Affairs, delivered a statement on behalf of the Department. He observed that the Asia-Pacific region had shown significant resilience in the context of two economic crises, first in 1997/98 and again in 2008/09. This resilience had led to prosperity. The region's economic growth had been remarkable, characterized by progress on poverty reduction. Furthermore, the region had made significant

progress on numerous Millennium Development Goals, such as access to primary education and combating HIV/AIDS. Other challenges still needed to be addressed, however, including social protection, youth employment and green jobs. He drew attention to the forthcoming United Nations Conference on Sustainable Development (Rio+20), and called on the region to take a central role in developing a global sustainable development strategy.

42. The moderator, Stephen Pursey, highlighted the key objectives of the session, namely to identify the key messages from the tripartite constituents in the Asia-Pacific region that should be sent to the annual ministerial review.

43. Providing a context for the discussion, the moderator described Asia's dynamism, but noted the region's vulnerability given the global economic uncertainty. The region had a significant jobs challenge ahead in the coming 10 years to meet the growing labour force and high unemployment levels. Furthermore, despite the progress achieved in poverty reduction, many were still vulnerable to falling back into poverty in the case of a prolonged crisis or recession. Slow employment growth particularly affected young people and this had been reflected in the recent Arab protests and the suppression of rights. He cited a revealing study by the Gallup Poll, noting that having a good job was the predominant demand of people around the world. Greater policy coherence and coordination were needed, and jobs could be the unifying issue that could bring policy coherence at the national, regional and international levels.

44. Jose Manuel Salazar-Xirinachs, Executive Director of the Employment Sector of ILO, briefed the meeting on the outcomes of the fifteenth ILO Asia-Pacific Regional Meeting, which had just concluded. That meeting took stock of progress and new developments since the fourteenth Asia-Pacific Regional Meeting in 2006, and agreed on new commitments for the next five years. The structure of the meeting included keynote speeches; a leaders' forum on youth; three thematic panels on (a) coordinated economic, employment and social protection policies; (b) productive employment, sustainable enterprises and skills development; and (c) rights at work and social dialogue, sustainable rights; three special sessions on partnerships, green jobs and employment-centred crisis response; as well as launching of the report on the social protection floor.

45. In its conclusions the meeting noted the progress in the five priority areas of the Asian Decent Work Decade, including ratification of labour standards (however overall ratification remains relatively low); development of decent work country programmes; building social protection systems; reduction in child labour and creating jobs for youth; and enhanced governance of labour migration. Asia and the Pacific was the most dynamic region, had reduced poverty significantly and had rebounded from the crisis, but economic uncertainty remained. Other challenges included high working poverty rates, vulnerability and widespread natural disasters. The region is extremely diverse but the concept of decent work was applicable to all countries. The meeting agreed to forge ahead and address the various decent work deficits in the region, and reaffirmed commitment to the Asian Decent Work Decade.

46. Priorities include:

- Redoubling efforts to ensure that decent work and full employment are at the heart of policies for strong, sustainable and balanced growth and inclusive development.
- Designing policy packages, based on the ILO Global Jobs Pact, to promote an equitable jobs-rich strategy.
- Encouraging relevant global and regional institutions to support making decent work and full employment an important goal of internationally and regionally coordinated macroeconomic policies.
- Building effective social protection floors, in line with national circumstances.
- Reducing poverty and wide inequalities in income and wealth.
- Promoting collective bargaining and the development of minimum wage systems based on ILO standards.
- Equipping the workforce, particularly young people, with the skills required for decent work and productive employment.
- Promoting greener growth and green jobs, consistent with maintaining economic and social sustainability.
- Strengthening employment-intensive investment, where necessary, for example through public employment guarantee schemes consistent with the creation of decent work.

47. Ms. Ching Yap, youth representative, former special officer to the Minister of International Trade and Industry for the Government of Malaysia and Head of Strategic Planning of Air Asia, commented on the challenges young people faced in searching for jobs. In Asia and the Pacific region, the youth population is large and roughly 70 million are unemployed, figures which are only being exacerbated by the crises. Employment was the most pressing need for young people. Many of the employed youth in the region are bound by badly negotiated contracts, precarious employment or are underemployed, which shows the wide spread of vulnerable employment. She therefore underlined the need to create not just any job, but decent jobs, which would give young people dignity and the ability to build a future.

48. Addressing the issue of gender biases in the workplace, she stated that young women face particularly acute challenges, often working in the informal economy or as domestic workers. It was important to raise the awareness of jobseekers and their families about potential opportunities and to encourage young women in particular to prepare for the labour market. Vulnerability, informality and the lack of social security made young people disillusioned. Greater social security and sustainable job opportunities were needed. She stressed that the issue was not just about jobs, but about social justice.

49. The speaker expressed the view that, regardless of their level of education, young people were unprepared for the world of work and not equipped with the skills and capacities employers seek. Vocational training and internships as part of their course work would better prepare students for the world of work. The attitude of employers was also important to address the underlying challenges of youth unemployment. She opined that seniority should be based on skills, not age or

gender, and noted that, when she started out in the airline business, many assumed she was a secretary or cabin crew member and would not take her seriously.

50. Her presentation highlighted the fact that one of the biggest challenges was the "school to work" transition. There was a mismatch between the demands of the labour market and what schools were teaching. She emphasized that there is a need to revamp the education system in many countries and that this should be done with the full engagement of employers and workers, who could advise on the proper vocational training that should be introduced in universities and internships that are most effective to prepare students for work. She stated that employers must also look beyond paper qualifications, and focus more on passion and determination to learn on-the-job skills. Internships should be expanded to expose students to working life earlier. Employers should invest in young people who show potential by providing training. Young people must be recognized for their resourcefulness, not just in terms of their skills, while Governments have a role to play also by providing a stable environment for businesses to flourish, which would in turn encourage entrepreneurship.

51. Finally, the speaker noted that young people should be involved in decision-making processes and collective bargaining. The recent crisis had asserted the need for firms to be innovative in order to survive. Young people are able to bring the innovation and change needed to make companies competitive. She urged Governments and social partners to tackle the youth unemployment problem urgently, before the opportunity is lost.

52. Mr. W. J. L. U. Wijayaweera, Secretary of the Ministry of Labour, Sri Lanka, emphasized that the region is populous and continuing to grow rapidly. Informality is also on the rise along with marginalization and exclusion. He highlighted the challenges associated with migrant workers, internal and external.

53. He stated that the region must work to address the challenges associated with youth unemployment, marked by lack of decent work opportunities, rising informality and vulnerable employment. Also a pressing challenge is the issue of child labour, particularly in its worst forms, since too many children were being deprived of education and were exploited, thus depleting many countries of a well-educated, skilled labour force. Many countries in the region were also facing demographic challenges as a result of ageing populations. One consequence is that the working age population was declining, demanding higher levels of social security and social protection. The region is also highly prone to natural disasters and the impact of climate change.

54. Recognizing these challenges, the way forward must ensure that policy measures take into account regional comparative advantages in order to effectively address the root causes and to gear actions towards development activities. He indicated that Sri Lanka's National Plan of Action for Decent Work provided comprehensive guidelines for employment creation and quality work. With support from ILO, Sri Lanka had made progress on a youth network, migration policy, a road map for the elimination of the worst forms of child labour, a reduction of unfair labour practices, and a national policy on HIV and AIDS.

55. In the discussion, Ambassador Abulkalam Abdul Momen enquired how to develop job-rich growth with a human face and challenged the panel and participants to form a hypothesis for this.

56. In response, Mr. Salazar stated that one could find solid policies and institutions, efficient mixes of State and market and effective national visions forged through social dialogue, in countries at every stage of development, as well as less effective ones. The enabling environment proved to be critical. As for infrastructure, while impressive achievements were observed in some countries, major gaps remained in others. Small and medium enterprises also provided a major source of employment. Policies for productive employment creation called for support to small and medium enterprises through improvement of the enabling environment, promotion of an entrepreneurial culture, strengthening of business development services and facilitation of access to credit.

57. Mr. Salazar observed that with regard to skills, the region presented some best practices in adapting skills-development policies to meet the demands of growth and improvement in wages and living standards, as well as in identifying future skills needs. Despite this, many young graduates were unemployed and skills mismatches were persistent in the labour markets.

58. The meeting was informed that another challenge was to make investment in the region greener and more sustainable. Clear sectoral policies based on social dialogue were central in any strategy to increase the employment content of growth and to make it more socially and environmentally sustainable. For Governments to make proper diagnoses to overcome their employment challenges, Mr. Salazar suggested identifying two or three key areas based on national circumstances and priorities in order to kick-start growth. ILO has expertise to assist Governments in this regard but, he stressed, employment policy is the real meaning of one size does not fit all.

III. Conclusions and recommendations

Conclusions

59. In his closing statement, Mr. Abulkalam Abdul Momen, Vice-President of the Economic and Social Council and Permanent Representative of Bangladesh to the United Nations, identified the key messages that emerged from the meeting. During the last decades, economic performance in Asia and the Pacific region has been impressive. However, this success has been accompanied by increasing inequality and persistent vulnerability.

60. Moreover, he noted that the ongoing economic crisis puts at stake what has been achieved and causes severe harm to those who are least responsible — developing countries, especially the least developed countries, landlocked developing countries and small island developing States and the most vulnerable segments of populations. Employment and decent work provide not only a means to sustain livelihoods, improve standards of living, and a way out of poverty, but also a path to meaningfully participate in and contribute to economic and social activities. This was critical to achieving sustained, inclusive and equitable growth and sustainable development.

61. The Ambassador reminded the gathering of the urgent need to develop a framework for enabling job-intensive growth, in order to reduce inequality and vulnerability, alleviate poverty and hunger, and tackle unemployment, underemployment and vulnerable employment, especially among young people.

This could be achieved through well-coordinated and coherent policies across various sectors, improving overall labour market governance, strengthening social protection systems, and creating green jobs. He concluded that this should be the foundation for accelerating progress in achieving the Millennium Development Goals and paving the way for the development agenda beyond 2015.

62. Asia and the Pacific is the world's most dynamic region, and fast growth in the past decades lifted family incomes and enabled hundreds of millions of people to transition out of poverty. However, not enough decent jobs have been created to reduce large numbers of working poor and large informal economies even during the period of rapid growth. The gains in growth were not evenly spread, and inequalities in income and wealth widened in many countries.

63. The region also hosts the largest population and a fast-growing labour force, which could potentially be turned into enormous productive capacity in the near future, with a common vision and an appropriate mix of policies towards inclusive and sustainable development for all. The recent developments of the Arab Spring underlined the importance of decent job opportunities, especially among youth, inclusive policies and institutions, dignity of the people and social justice. This highlighted the importance of the Decent Work Agenda, effective social protect systems, and social dialogue and cooperation.

64. Decent work and full employment should be at the centre of policies for strong, sustainable and balanced growth and inclusive development.

Recommendations

65. The discussions informed the following recommended actions:

- **Put decent work and full employment at the heart of policies for reducing poverty and income inequalities and achieving sustained, inclusive and equitable growth and sustainable development.**
- **Encourage relevant global and regional institutions to support making decent work and full employment an important goal of internationally and regionally coordinated macroeconomic policies.**
- **Explore a more inclusive, job-rich growth model to create a virtuous cycle of growth and improvement in wages and living standards.**
- **Strengthen labour institutions to ensure more inclusive and fairer labour markets which uphold international labour standards and rights at work.**
- **Design policy packages, based on the ILO Global Jobs Pact, to promote an equitable jobs-rich strategy.**
- **Promote collective bargaining and the development of minimum wage systems based on ILO standards.**
- **Build and/or strengthen comprehensive social protection systems, social protection floors, targeted in particular at the most vulnerable and poorest, based on national circumstances and using the respective fiscal space of countries.**
- **Support small and medium-sized enterprises — the vast majority of companies in the region, as drivers of job creation — through an enabling**

environment, promoting an entrepreneurial culture, strengthening business development services and facilitating access to credit.

- **Promote greener growth and green jobs, as a means to achieve inclusive, sustained and balanced growth, and sustainable development.**
- **Create and promote decent job opportunities for youth, in particular in dynamic sectors as green jobs and e-commerce, as well as the undeveloped agriculture sector.**
- **Reduce gender barriers and promote women's participation in labour markets.**
- **Devise innovative measures, such as mandatory vocational training as a condition for graduation or youth targeting, and to make the "school to work" transition easier.**
- **Equip the workforce, particularly young people, with necessary skills required by the labour markets, including life skills.**
- **Strengthen employment-intensive investment, where necessary, for example through public employment guarantee schemes that are consistent with the creation of decent work.**
- **Strengthen regional cooperation, including through North-South, South-South, and triangular cooperation and a regional knowledge network to best utilize the region's rich experiences, good practices and lessons learned, and social capital.**
- **Promote productive capacity, including through investing in people throughout the life cycle, and develop comprehensive human resources development policies and strategies to effectively address existing mismatches between supply and demand, and identify future skills needs.**
- **Promote social dialogue among national Governments, employers' and workers' organizations, youth and women's organizations, and other civil society stakeholders to effectively tackle persistently high unemployment.**